

Governor's GMAP Forum on Health Care

Implementation of the Governor's Health Care Goals, Strategies and Initiatives



July 12, 2006

Please visit our Website at:
<http://www.gmap.wa.gov>

What have we accomplished since April GMAP?

- **We continue to save money**
 - Preferred drug list savings targets achieved
 - Medicare pharmacy co-payments under budget
 - Restructured PEBB Plan offerings and outlook for 2007 procurement is a 3-4% trend.
- **We enrolled more kids**
 - State-sponsored health insurance is covering 572,000 children
 - Employee-sponsored insurance program enrolls 1,283 clients
- **We launched state employee wellness program**
 - Cabinet took the Health Risk Assessment (49% return) and heard the results
 - Over 120 Wellness Coordinators have been selected
- **We launched initiatives to transform the health care system**
 - Health Outcomes Advisory Committee (HOAC) membership established, and inventory of outcome measures for DOH, HCA and DSHS developed
 - Submitted preliminary report on increasing use of electronic medical records
 - Reviewed key national and state initiatives to create a transparent database of provider performance
 - State Health Technologies Program Director hired, RFI for Assessment Center complete, Implementation plan complete.

Follow up items from April GMAP (detail behind Tab 3)

Item/Description	Who	Status and Notes
State-by-state comparison of Medicaid program costs	DSHS	Done. Washington state per capita medical costs are below the national average in every category except physician's costs. Overall, Washington ranked 44 th in FFY00-03 per-capita cost increases.
Examples of Washington State and Medicare CMS technology reviews	DSHS	Done.
Confirmation all state agencies required to follow results of tech assessments	HCA	Done. Confirmed.
Description of how participation goal set for HRA	HCA	Done.
Strategy to engage legislature and others on employee wellness program	HCA	Done.
Briefing paper on California health education program	DOH	Still in progress.
Description of key measures for chemical dependency treatment	DSHS	Done.
Briefing paper on impact of citizenship requirements on caseload, work flow, etc.	DSHS	Done.
Options paper on school nutrition	DOH	Done.
Definition of cover all children	DSHS	See GMAP slide/discussion.

Status of Governor Gregoire's Health Care Initiatives

July 12, 2006, GMAP Forum

* Detailed slide included in this report. Key milestones for each initiative on supplemental slides 9 and 10

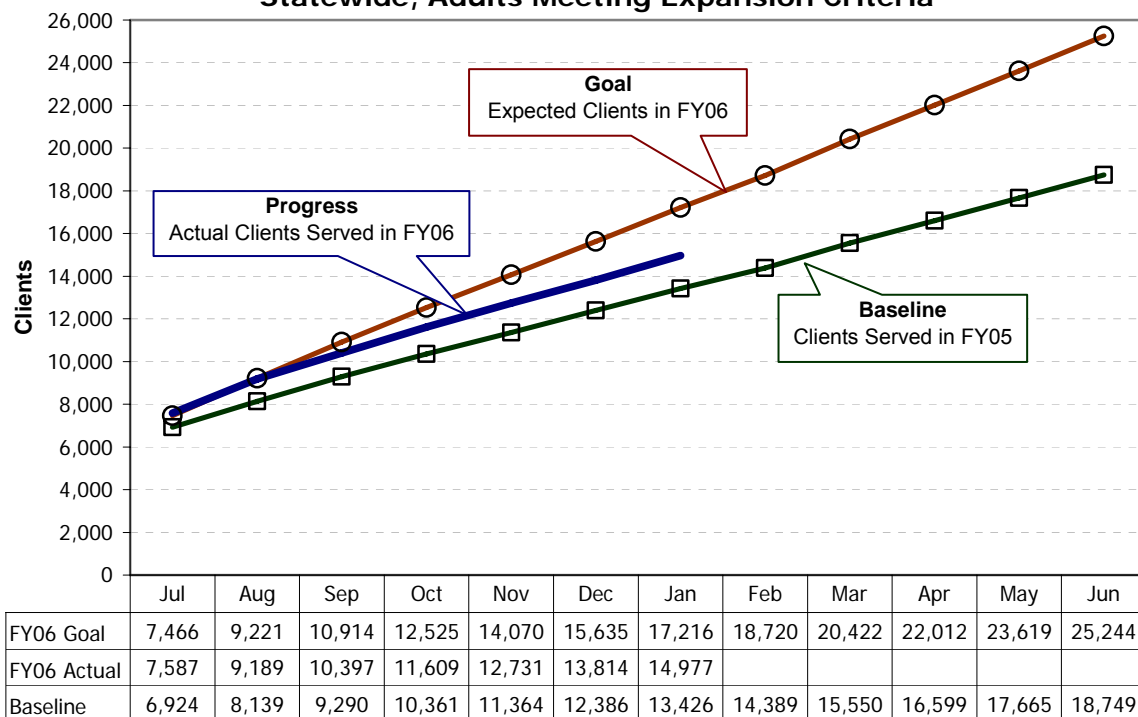
Strategy	Initiative	Lead Agency	Status
Bring state health care costs in line with or below Washington large employers by 2007	Efficient procurement strategy	HCA	↑ *
Emphasize evidence-based care.	Access health technologies and procedures	HCA	↑
	Use outcome data in state contracts	HCA	↑
	Expand the use of the preferred drug list	HCA	↑ *
Promote prevention, health lifestyles, and healthy choices	Operate state employee prevention program (Washington Wellness Works - WWW)	HCA	↑
	Expand use of on-line employee health assessments	HCA	↑
Better manage chronic disease	Improve chronic care management for Medicaid clients and state employees	DSHS	↑
	Increase use of chemical dependency treatment	DSHS	↔ *
Create more transparency in the health care system	Increase reporting of health quality and efficiency data	HCA	↑
Make better use of information technology	Increase use of electronic medical records	HCA	↑
Increase children's health care coverage	Continue support of state-paid health care programs for children	DSHS	↔ *
	Encourage employer-sponsored insurance (ESI) for low-income families	DSHS	↑
Address critical gaps in affordability	Cover Medicare pharmacy co-pays	DSHS	↑
Improve the health of the people in Washington	Improve nutrition in schools	DOH	↑
Meet DSHS 2005-07 budget-driven savings goals	same	DSHS	↑

Governor's Health Care GMAP

What is the status of expanding chemical dependency treatment?

Goal: Increase chemical dependency treatment services, serving 25,179 aged, blind, disabled, and other Medicaid-eligible adults in Fiscal Year 2006.

Treatment Expansion Progress
Statewide, Adults Meeting Expansion Criteria ¹



Analysis:

- Service expansion through the Division of Alcohol and Substance Abuse will cost \$33 million in 2005-2007.
- However, treatment expansion is expected to save \$24 million (total), \$13 million GF-S in medical programs, and \$7 million (total), \$3.4 million GF-S in long-term care, this biennium.
- Enrollment is below target for three adult sub-groups and youth:²
 - Medicaid Disabled: 68.9%
 - TANF/Other Medicaid: 86.1%
 - Aged: 68.4%
 - GAU: 111.1%
 - Youth: 85.7%

STATUS



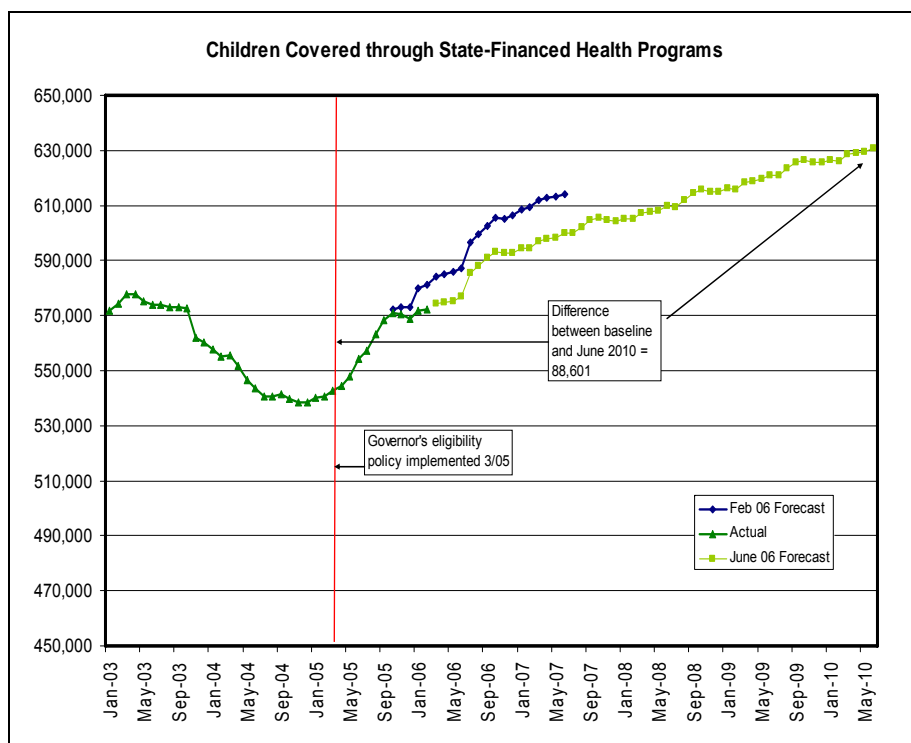
Action	Who	Due Date
Washington Combined Application Program (WASHCAP) SSI recipients were notified of streamlined CD assessment procedures.	ESA	1-July-06
ESA included information on their call waiting message about treatment expansion and accessing drug assessments and treatment.	ESA and DASA	1-July-06
Better meet the needs of clients living in residential facilities by identifying at least one facility in each region to serve as pilot sites for the Group Care model.	Counties and DASA	2 by 30-June-06 6 by 31-Dec-06
Targeted mailing through physicians and RSN mental health providers to Medicaid clients in Pierce, Clark, Yakima, and Spokane counties.	HRSA	30-Sep-06
Follow up round of "secret shopper" calls to treatment providers to determine any problems in receiving an assessment within 14-days.	DASA Staff	30-Sep-06

SOURCES: 1. DSHS-Research and Data Analysis. 2. DSHS-DASA Treatment Analyzer interim management report.

Slide 4

Health Care GMAP

What is the status of the children's health coverage expansion?



Analysis: There is upward and downward pressure affecting children's enrollment

Upward pressure:

- The population of low income children is growing faster than the general population of children.
- Not all eligible children are enrolled.

Downward pressure:

- There are higher than expected exits from the caseload following the resumption of eligibility reviews in October 2005
- Further downward pressure is expected as the federal government issued more stringent than expected guidelines regarding citizenship verification.

Actions	Who	Due
Further evaluation of CMS citizenship verification guidelines.	Program manager	Spring/Summer 2006
CFC, OFM and DSHS/HRSA will research decline in anticipated growth.	CFC workgroup	July-October 2006
DSHS/HRSA and OFM will be looking at uninsured rates, and decide on recommendations for possible outreach target populations.	HRSA/OFM workgroup	Fall 2006

Data notes: DSHS MMIS eligibility file and HCA Basic Health enrollment file.

STATUS

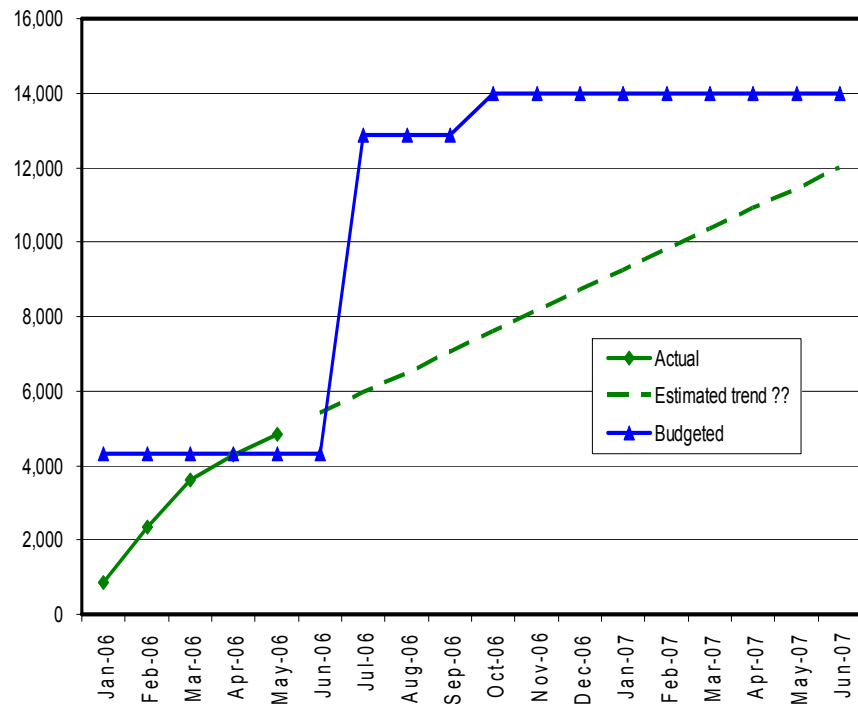


Slide 5

Health Care GMAP

What is the status of the Children's Health Program expansion?

Children's Health Program Enrollment



Analysis – As of June 29, 2006:

- 5,173 children enrolled in CHP.
- No families on waiting list - all application are in process or determinations completed.
- Number of approved CHP applications has been below target:
 - 39% of applications processed to date have been denied - the majority for income above 100% FPL.
 - 69% of children denied for excess income were in families below 150% FPL.

Actions	Who	Due
Supplemental budget added \$10.7 million for CHP		Done
Enroll at least 4,300 in CHP	DCS*	Done
Evaluate caseload in conjunction with the POG/Budget process to determine best course of action.	DCS*	October/ November 2006

Data notes: *The Children's Health Program provides health care to non-citizen children in families with incomes up to 100% of the FPL. *DCS is the Division of Customer Support within DSHS.*

STATUS



Health Care GMAP: Follow up

DRAFT for discussion - Definition of Covering All Kids; proposed stretch goals

Cover All Children by 2010 – What is the operational definition?

1. Washington's uninsured rate for children will be below 4%.

NOTES:

- Measure is based on Washington State Population Survey (WSPS) data.
- Washington's 2004 uninsured rate for children was 6.0%.
- Washington's lowest uninsured rate for children was 4.5% in 2002.

2. Washington's uninsured rate for children will be the lowest in the country.

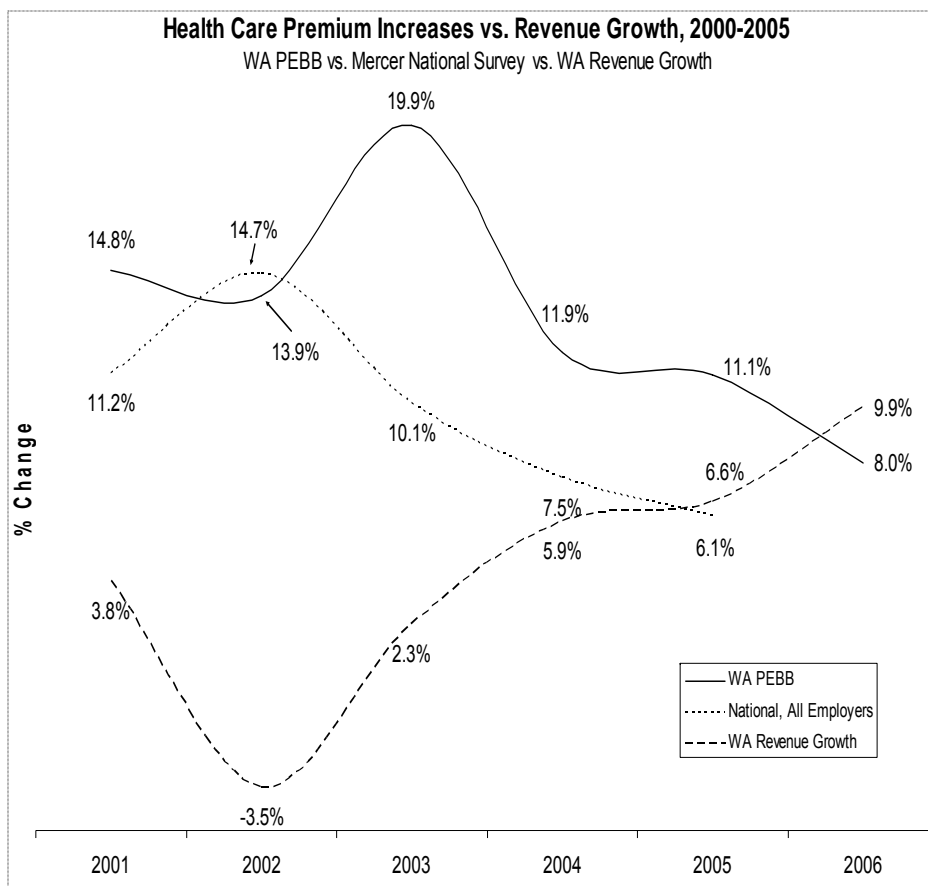
NOTES:

- Measure is based on Bureau of the Census Current Population Survey (CPS) data.
- Vermont has the lowest uninsured rate – 5.5% in 2005 and 5.5% average for 2003-05.
- Washington's 2005 uninsured rate for children was approximately 7.0% - 8th among states.
Washington's 2003-05 average uninsured rate for children was 9.0% - 19th among states.

Health Care Authority

Goal 1: Reduce Cost Trend

How do PEBB/K-12 health benefits compare to State and national trends?



Analysis

- Premium Increases = Bid Rate Increases for Public Employee Benefits.
- Without material changes in delivery, bid rate trends will continue to increase by double digits.

Action

- Target: Get state cost trend below national trends.
- Improve Public Employee Benefits procurement to increase quality and lower cost:
 - Mix of plans (add another PPO)
 - Plan design strategies
 - Care management
 - Promote transparency of plan performance across the six Institute of Medicine aims through State purchasing.

Data notes: Total Health Care Costs: Includes employer and employee share of medical and dental premiums. Sources: HCA Financial Services, 2005 Mercer National Survey of Employer-Sponsored Health Plans, and WA State Economic and Revenue Forecast Council

STATUS



Governor's GMAP Forum on Health Care

SUPPLEMENTAL SLIDES



July 12, 2006

Please visit our Website at:

<http://www.governor.wa.gov/gmap/forums/default.htm>

Key Milestones & Comments on the Status of Governor Gregoire's Health Care Initiatives

July 12, 2006, GMAP Forum

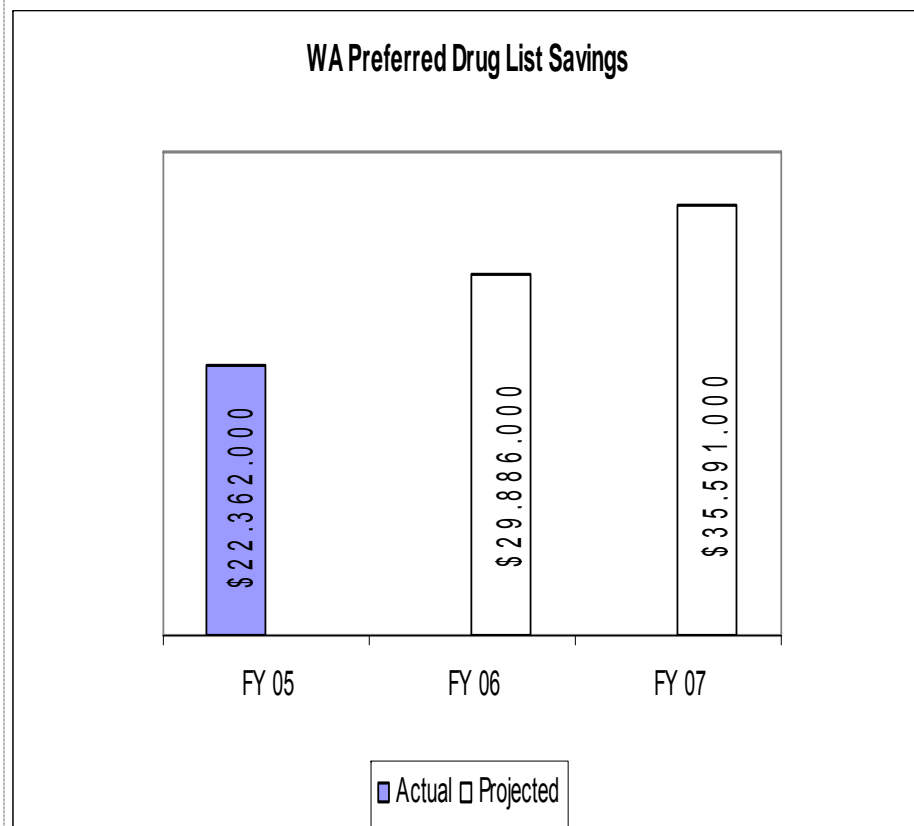
Initiative	Key Milestones/Comments
Assess health technologies and procedures	Hired Program Director
	Issued Request for Information (RFI) for Evidence Based Medicine entity, four responses
	Key stakeholder meeting July 13
	Developing criteria for clinical committee recruitment and selection
Use outcome data in state contracts	Healthy Outcomes Advisory Committee (HOAC) membership established
	Health and Rehab Services Admin (HRSA) met with Healthy Options plans on expectations
	HOAC developed an inventory of outcome measures
	Outcomes will be included in 2008 state contracts
Expand the use of the preferred drug list	23 drug classes reviewed, 26 by 1/1/07
	Cost savings targets achieved
Operate a state-employee prevention program (Washington Wellness Works)	Wellness Coordinators selected for agencies, higher ed and elected officials
	Members of Health & Productivity Committee selected –waiting on union representative
	National Governor's Association grant submitted to fund evaluation
	Website ready to launch mid July
Expand use of on-line employee health assessments	Uniform Medical Plan Health Risk Assessment (HRA) will launch mid July
	Governor's cabinet participated in HRA (49% participation)
	Group Health launch delayed until January
Improve chronic care management for Medicaid clients and state employees	Request For Proposals out 7/5/06 for new chronic care management service model
	Chronic care management program at HRSA will consist of community pilots and one statewide overarching contract serving targeted populations and using predictive modeling
Increase use of chemical dependency treatment	15,000 clients in treatment
	Below projections for two subpopulations
Increase reporting of health quality and efficiency data	Review key national & state initiatives to create transparent databases of provider performance
	Contribute to Puget Sound Health Alliance community database

Key Milestones & Comments on the Status of Governor Gregoire's Health Care Initiatives July 12, 2006, GMAP Forum

<u>Initiative</u>	<u>Key Milestones/Comments</u>
Increase use of electronic medical records	Launched WA Health Information Collaborative, received over 130 letters of interest
	Convening stakeholder and town hall meetings of proposed models
	Final report due 12/1/06
Continue support of state-paid health care programs for children	CMS issued restrictive guidelines on citizenship verification provision
	Citizenship verification requirements will dampen growth when implemented
Encourage employer-sponsored insurance (ESI) for low-income families	1,283 clients in program
	Average premium payment per month is \$76
	37% reduction in monthly client costs, a savings of \$64 per client per month in utilization
	Delay in staffing to full capacity
Cover Medicare pharmacy co-payments	Serving approximately 50,000 dual eligibles per month
	50 percent of dual eligibles are benefiting from copayment coverage
	Expenditures are approximately half of forecasted amount
	Better information will be available as we gain more experience with the program
Improve nutrition in schools	Evaluation grant awarded to UW Center for Public Health Nutrition
	DOH and OSPI preparing a school health policy concept paper
DSHS 2005-2007 budget driven savings	Target \$10.1m, savings \$12m (total funds)
	Target and savings are through April 2006
	Initiatives currently tracked are evidence-based utilization management, durable medical equipment rate and utilization reductions, expanding the patients requiring restrictions program, and increasing recoveries
Efficient procurement strategy	Dates and milestones

Prescription Drug Program – HRSA, HCA and L&I

Is the Prescription Drug List reducing costs?



Analysis

- The WA State Preferred Drug List saved the 3 participating agencies a combined total of more than \$22.3 million in state funds in FY05.
- After correcting for Medicare Part D impacts, state savings for the 3 agencies are projected to climb another \$13.3 million by the end of FY07 to \$35.6 million.

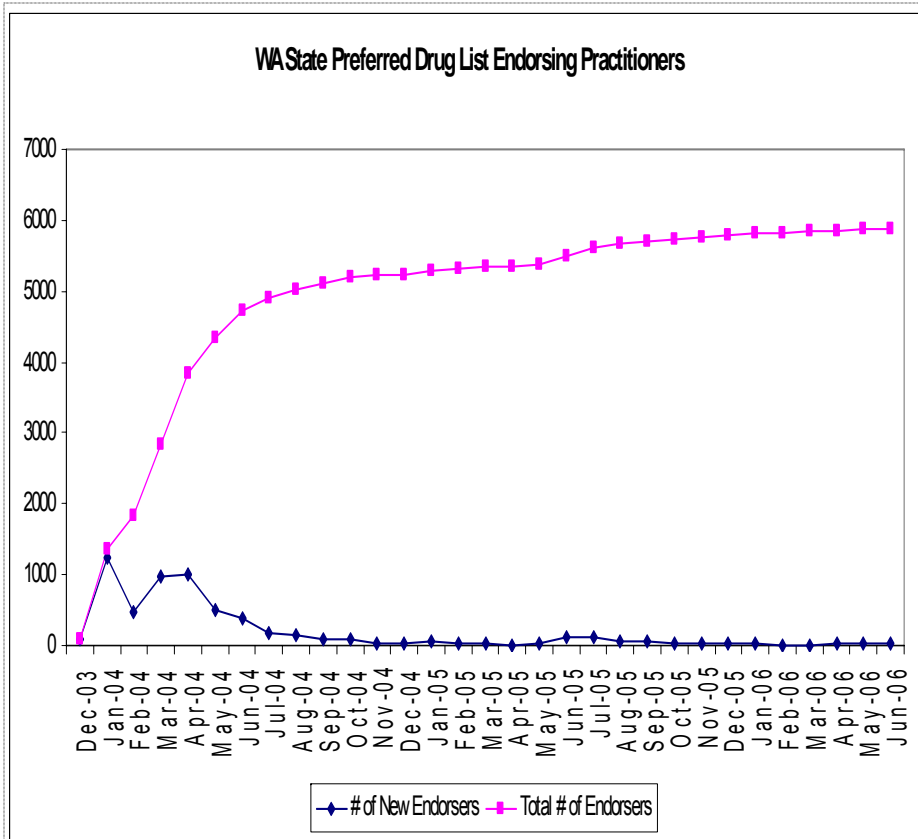
Action

- Analyze state drug spending changes resulting from Medicare Part D implementation to ensure that WA PDL drug classes continue to align with top drug expenditures (e.g., Alzheimer's and Urinary Incontinence drugs now on PDL).
- Establish process for continued evidence-based updated reviews of existing PDL drug classes and possible additional new drug class reviews by the end of CY06.

Data note: reflects combined agency spending through FY05 and projected through FY07. HRSA Forecasting Workgroup prepared the Medicaid savings estimates in Fall 2005; fiscal staff adjusted the Fall Forecast for the impact of Medicare Part D. HCA and L&I savings estimates prepared by Donna Sullivan, PharmD, and Jaymie Mai, PharmD, respective Pharmacy Directors for each agency.

Prescription Drug Program – HRSA, HCA and L&I

How Many Practitioners Have Endorsed the Preferred Drug List?



Analysis

- An “endorsing practitioner” is a provider who has reviewed the Washington State Preferred Drug List (PDL) and agreed to allow pharmacists to automatically “interchange” a “therapeutically equivalent” preferred drug for a non-preferred drug
- When an endorsing practitioner writes “dispense as written” on a prescription for a non-preferred drug, the non-preferred drug will be dispensed without the need for prior authorization
- Practitioners have an incentive to endorse the list to reduce their administrative burden
- 5,890 practitioners have endorsed the PDL as of June 2006
- Single agency example: of the approx. 16,000 total HRSA practitioners, roughly 4,000 have endorsed the PDL. However, these 4,000 write 53% of all HRSA prescriptions

Action

- Continue to target non-endorsing practitioners and work with stakeholders to develop programs to educate providers about the efficacy and cost-effectiveness of preferred drugs

Data note: data provided to the Prescription Drug Program by Benefit Control Methods